#### **BEFORE THE**

#### DEPARTMENT OF TRANSPORTATION

#### WASHINGTON, D.C.

Joint Application of

UNITED AIRLINES, INC.,

VIRGIN AUSTRALIA AIRLINES PTY LTD D/B/A VIRGIN AUSTRALIA. and

VIRGIN AUSTRALIA INTERNATIONAL AIRLINES PTY LTD

for exemptions pursuant to 49 U.S.C. § 40109 and blanket statements of authorization pursuant to 14 C.F.R. Part 212 (reciprocal codesharing services)

\_\_\_\_\_\_

Docket DOT-OST-2022-\_\_\_\_

### JOINT APPLICATION OF UNITED AIRLINES, INC., VIRGIN AUSTRALIA AIRLINES PTY LTD D/B/A VIRGIN AUSTRALIA AND VIRGIN AUSTRALIA INTERNATIONAL AIRLINES PTY LTD FOR EXEMPTIONS AND STATEMENTS OF AUTHORIZATION

Communications with respect to this document should be sent to:

Steve Morrissey
Vice President-Regulatory & Policy
UNITED AIRLINES, INC.
815 Connecticut Avenue, NW
Suite 500 – DCAIZ
Washington, DC 20006
(202) 521-4373
steve.morrissey@united.com

Daniel A. Weiss
Managing Director-International
Affairs and Regulatory
UNITED AIRLINES, INC.
233 South Wacker Drive
10th Floor – HDQIZ
Chicago, IL 60606
(872) 825-6828
dan.weiss@united.com

Amna Arshad Freshfields Bruckhaus Deringer, LLP 700 13<sup>th</sup> Street, N.W. Washington, D.C. 20005 amna.arshad@freshfields.com

Counsel for United Airlines, Inc.

James Conneely
Associate General Counsel –
Regulatory, Environmental,
Facilitation and Government Affairs
UNITED AIRLINES, INC.
233 South Wacker Drive
11th Floor – HDQLD
Chicago, IL 60606
(872) 825-8311
james.conneely@united.com

Anita Mosner
Benjamin Slocum
Marina O'Brien
Holland & Knight LLP
800 17<sup>th</sup> Street, NW
Suite 1100
Washington, DC 20006
Tel: (202) 419-2604
Fax: (202) 955-5564
anita.mosner@hklaw.com

Counsel for Virgin Australia and Virgin Australia International

January 3, 2022

**NOTICE**: The Joint Applicants are requesting expedited treatment of this application, will poll air carrier representatives on the attached service list, and advise the Department of the results.

#### **BEFORE THE**

#### DEPARTMENT OF TRANSPORTATION

#### WASHINGTON, D.C.

Joint Application of

UNITED AIRLINES, INC.,

VIRGIN AUSTRALIA AIRLINES PTY LTD D/B/A VIRGIN AUSTRALIA, and

VIRGIN AUSTRALIA INTERNATIONAL AIRLINES PTY LTD

for exemptions pursuant to 49 U.S.C. § 40109 and blanket statements of authorization pursuant to 14 C.F.R. Part 212 (reciprocal codesharing services)

\_\_\_\_\_\_

Docket DOT-OST-2022-\_\_\_\_

# JOINT APPLICATION OF UNITED AIRLINES, INC., VIRGIN AUSTRALIA AIRLINES PTY LTD D/B/A VIRGIN AUSTRALIA AND VIRGIN AUSTRALIA INTERNATIONAL AIRLINES PTY LTD FOR EXEMPTIONS AND STATEMENTS OF AUTHORIZATION

United,<sup>1</sup> Virgin Australia, and Virgin Australia International (the "Joint Applicants") apply, pursuant to 49 U.S.C. §§ 40109 and 41301, 14 C.F.R. Part 212, and Rule 302 of the Department's Rules of Practice, for exemptions and blanket statements of authorization allowing:

(i) Virgin Australia to display United's "UA\*" designator code on intra-Australia flights,

(ii) Virgin Australia International to display United's "UA\*" designator code on flights between Australia and third country points, and (iii) United to place Virgin Australia and Virgin Australia International's "VA\*" designator code on flights between the U.S. and Australia, on intra-U.S. flights, and on flights between the U.S. and third country points.

Common names are used for airlines.

The Joint Applicants have entered into a codeshare agreement that will enhance travel opportunities for U.S. origin/destination traffic in Australasia. The Joint Applicants ask that their requested exemptions remain in effect for a period of at least two years. The Joint Applicants further request that the blanket statements of authorization be granted for a period of unlimited duration (subject to the Department's usual conditions). The Joint Applicants intend to begin codesharing as soon as they have obtained all necessary governmental approvals.<sup>2</sup>

The Joint Applicants state as follows in support of their applications:

- 1. The Joint Applicants have entered into a codeshare agreement providing for the display of United's "UA\*" code on Virgin Australia intra-Australia flights and Virgin Australia International flights between Australia and third country points. The agreements also include Virgin Australia and Virgin Australia International displaying their "VA\*" designator code on United flights between the U.S. and Australia, intra-U.S., and between the U.S. and third country points. The Joint Applicants have provided a redacted copy of their codeshare agreement to DOT as Exhibit A.
- 2. In order to implement this codeshare arrangement, the Joint Applicants seek blanket statements of authorization pursuant to 14 C.F.R. Part 212 to display United's "UA\*" airline designator code on Virgin Australia and Virgin Australia International flights, as well as Virgin Australia and Virgin Australia International's "VA\*" code on United flights, as described above.

On December 3, 2021, Virgin Australia applied to renew its exemption authority to carry Delta's "DL\*" designator code on "all flights that Virgin Australia currently operates or may in the future operate between points within and beyond Australia." (*See* Docket DOT-OST-2009-0158.) Certain of the codeshare and frequent flyer agreements among Virgin Australia, Virgin Australia International, and Delta will continue in effect for a limited time while the parties wind down their relationship. The parties will file notice of the termination of those agreements in the ordinary course.

The Joint Applicants request that the statements of authorization be issued for an indefinite period, so long as their codeshare agreement continues in effect, and will notify the Department if any agreement should cease to be effective.

- 3. To the extent necessary, United requests that the Department amend its blanket exemption pursuant to 49 U.S.C. § 40109 to authorize United to provide codeshare services on flights operated by Virgin Australia and Virgin Australia International to points within and beyond Australia for points neither in Open Skies countries nor listed in United's certificate or exemption authority upon 30 days' notification to the Department, as United has been allowed to do with its other codeshare partners. United requests that this exemption authority be granted for a period of at least two years.
- 4. Virgin Australia requests an exemption pursuant to 49 U.S.C. § 40109 to display United's "UA\*" airline designator code on flights Virgin Australia currently operates, or may in the future operate, within Australia in connection with services operated by United between the U.S. and Australia. Virgin Australia operates entirely within Australia, and approval of this codeshare arrangement would be consistent with the Department's prior approvals of Virgin Australia's intra-Australia codesharing. Virgin Australia has already received exemption authority to engage in intra-Australian codesharing with other U.S. airlines.<sup>4</sup>

<sup>&</sup>lt;sup>3</sup> See, e.g., Notice of Action Taken (Jun. 29, 2018), Docket DOT-OST-2018-0033, and DOT-OST-2004-19148, at n. 1 and Appendix C.

<sup>&</sup>lt;sup>4</sup> See, e.g., Notice of Action Taken (Mar. 22, 2019), Docket DOT-OST-2019-0043 and 2019-0042 (granting an exemption to Virgin Australia to place Hawaiian Airlines' "HA\*" designator code on its intra-Australia flights).

- 5. Virgin Australia International holds a foreign air carrier permit from the Department that allows it, *inter alia*, to engage in scheduled foreign air transportation of persons, property, and mail from points behind Australia, via Australia and intermediate points to a point or points in the U.S. and beyond.<sup>5</sup> The Department has previously approved a similar codesharing arrangement between Virgin Australia International and other U.S. airlines.<sup>6</sup>
- 6. United holds various certificates of public convenience and necessity and exemptions authorizing it to engage in scheduled air transportation of persons, property, and mail between the U.S. and foreign countries, and United is fit, willing, and able to provide the service for which it seeks authority. United requests that the Department take official notice, pursuant to Rule 24 of its Rules of Practice, of all data filed to date to establish United's fitness. United will continue to conduct its operations in accordance with the terms and conditions of its authority, as well as with all applicable international agreements.
- 7. The Joint Applicants request prompt approval of this application so they may begin marketing their proposed services without delay. The initial segments are listed in Exhibit B. The Joint Applicants will notify the Department at least 30 days before commencing any

<sup>&</sup>lt;sup>5</sup> See DOT Order 2009-9-18 (Sep. 29, 2009), Docket DOT-OST-2007-28705.

<sup>&</sup>lt;sup>6</sup> See supra, fn. 4 (approving an application of Virgin Australia International to display Hawaiian Airline's designator code on certain of its flights between Australia and New Zealand).

See, e.g., Orders 2013-4-11 (Reissuing United/Continental authorities to United), 2011-3-14 (United/Continental route transfer), 2007-4-19 (Blanket Open Skies), and Notice of Action Taken dated May 14, 2019, in Docket DOT-OST-2004-19148 (Blanket Worldwide Codesharing).

codeshare services covered by this application to/from non-Open Skies points or on routes for which they do not otherwise hold authority that are not included with this application.<sup>8</sup>

- 8. The proposed codeshare arrangement among the Joint Applicants is fully consistent with the 2008 U.S.-Australia Open Skies Agreement, under which airlines of any party may perform scheduled international air transportation from points behind Australia via Australia and intermediate point to a point or points in the United States and beyond (in either or both directions). In addition, the Department has approved similar applications involving codesharing between U.S. and Australian airlines. In
- 9. The Joint Applicants submit that their application raises no environmental or energy issues. All of the proposed operations will be conducted in accordance with applicable noise abatement requirements utilizing modern, fuel-efficient Stage 3 aircraft. Approval of this application will not constitute a major regulatory action under the Energy Policy and Conservation Act of 1975, as defined in Part 313 of the Department's regulations.
- 10. Approval of the requested statements of authorization is consistent with the standards for approval under 14 C.F.R. Part 212.
- 11. Granting this application is in the public interest because it will provide substantial consumer benefits by enhancing the service options available to the U.S. traveling public for travel between the U.S., Australia, and points beyond. United will be able to offer convenient additional

Pursuant to the Department's Notice in the Matter of Blanket Notification of Code-Share Service to Open Skies Partners and Points, dated February 9, 2009, this filing serves as a blanket 30-day notification of intent to codeshare to Open Skies points.

<sup>&</sup>lt;sup>9</sup> See U.S.-Australia Open Skies Agreement, Annex I, 1-2 (Mar. 31, 2008).

See supra, fn. 6.

online services between the U.S. and points in Australia, which will enhance competition and the U.S.-Australia service options available to consumers. Further, the Department has granted similar authority to numerous codeshare partnerships involving U.S. and foreign carriers, recognizing the important public benefits that are produced.

- 12. The Joint Applicants will conduct their codesharing activities in compliance with Part 257 of the Department's regulations and any other applicable conditions, rules, and regulations.
- 13. The codeshare authority requested here will have no impact on United's Civil Reserve Air Fleet commitments.
- 14. Because the Joint Applicants would like to begin marketing their codeshare service as soon as possible, they request that the Department expedite its approval of this application. To the extent necessary, the Joint Applicants request a waiver of the provision that requires the carriers to file requests for statements of authorization at least 45 days in advance of their proposed startup date.

WHEREFORE, the Joint Applicants respectfully ask the Department to grant their requested exemptions and blanket statements of authorization on an expedited basis, and any other relief the Department may deem necessary or appropriate.

Respectfully submitted,

Amna Arshad

Freshfields Bruckhaus

Deringer LLP

Counsel for United Airlines, Inc.

Anita Mosner Benjamin Slocum Marina O'Brien

Holland & Knight LLP

Counsel for Virgin Australia Airlines and Virgin Australia International Airlines

January 3, 2022

## **CERTIFICATE OF SERVICE**

I certify that I have this date served the foregoing document on the following persons by causing a copy to be sent electronically in accordance with the Department's Rules of Practice:

American	Robert Wirick	robert.wirick@aa.com
	John Williams	john.b.williams@aa.com
Atlas	Naveen Rao	naveen.rao@atlasair.com
Delta	Chris Walker	chris.walker@delta.com
	Steve Seiden	steven.seiden@delta.com
FedEx	Anne Bechdolt	anne.bechdolt@fedex.com
	Brian Hedberg	brian.hedberg@fedex.com
Hawaiian	Aaron Alter	aaron.alter@hawaiianair.com
	Parker Erkmann	perkmann@cooley.com
Polar Air Cargo	Kevin Montgomery	kevin.montgomery@polaraircargo.com
UPS	Dontai Smalls	dsmalls@ups.com
State/FAA/DOT	Richard Yoneoka	yoneokar@state.gov
	Hugo Yon	yonhy@state.gov
	D. Williams	williamsds3@state.gov
	John Duncan	john.s.duncan@faa.gov
	Todd Homan	todd.homan@dot.gov
	Brett Kruger	brett.kruger@dot.gov
	Robert Finamore	robert.finamore@dot.gov
	Benjamin Taylor	benjamin.taylor@dot.gov
	Airlineinfo	info@airlineinfo.com

Amna Arshad

January 3, 2022